

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

IN RE:

February 2, 2000

**PETITION FOR AUTHORITY TO TRANSFER
OWNERSHIP AND CONTROL OF
COMMUNICATIONS BILLING, INC.**

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) **DOCKET NO. 99-00628**
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ORDER APPROVING TRANSFER OF CONTROL

This matter came before the Tennessee Regulatory Authority ("Authority") on the Petition of Communication Billing, Inc. ("CBI") for authority to transfer ownership and control of CBI from its current shareholders to Thomas M. Coughlin, Sr. and Philip A. Bethune (hereinafter collectively referred to as "Purchasers"). The proposed transfer will occur by means of the sale of all of CBI's issued and outstanding stock to the Purchasers pursuant to Tenn. Code Ann. § 65-4-112. The Directors of the Authority considered this matter at a regularly scheduled Authority Conference held on September 28, 1999.

From the Petition and the record existing in this matter, it appears that:

1. CBI is currently authorized in thirty-eight (38) states as a reseller of intrastate interexchange telecommunication services.
2. The Purchasers currently hold executive positions with Vista Group International, Inc. ("Vista"). Vista received authorization to provide intrastate telecommunication services on July 9, 1997, in Authority Docket No. 97-01070.

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I. CRITERIA FOR APPROVING TRANSFER OF CONTROL

A transfer of control between regulated public utilities is not valid until approved by the Authority under the provisions of Tenn. Code Ann. § 65-4-112. In addition, under Tenn. Code Ann. § 65-4-101, any entity that owns, operates, manages or controls utility systems, plant, or equipment under certification by this Authority or its predecessor, the Tennessee Public Service Commission, for the purpose of providing utility service in the state of Tennessee, is a public utility. Since this merger involves two entities holding certificates in Tennessee, Authority approval is required under the provisions of Tenn. Code Ann. § 65-4-112(a). This Section provides for the following:

- (a) No lease of its property, rights, or franchises, by any such public utility, and no merger or consolidation of its property, rights and franchises by any such public utility with the property, rights and franchises of any other such public utility of like character shall be valid until approved by the authority, even though power to take such action has been conferred on such public utility by the state of Tennessee or by any political subdivision of the state.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

Based upon careful consideration of the Petition and the Exhibits thereto, and of the entire record of this matter, the Authority finds and concludes as follows:

1. That CBI has engaged in the business of providing telecommunications services in Tennessee;
2. That the Purchasers currently hold executive positions with Vista and in such capacity, the Purchasers manage and control a utility operating in the state of Tennessee. Therefore, pursuant to Tenn. Code Ann. § 65-4-112, the purchasers fall within the definition of public utility under Tenn. Code Ann. § 65-4-101; as a result, Authority approval of this transaction is required;

3. That the Authority has jurisdiction over the subject matter of said Petition pursuant to Tenn. Code Ann. § 65-4-112;

4. On August 5, 1999, CBI executed an *Irrevocable Assignment of Stock and Power of Attorney Upon Conditions Met* transferring all of the issued and outstanding capital stock to the Purchasers. According to the Petition, this Assignment memorializes an agreement reached between the parties on March 1, 1999;

5. According to the Petition, after the transfer of ownership and control has been completed, CBI will continue to operate as it has in the past, using the same name, tariff and operating authority. Thus, the transfer of control should be transparent to and should have no adverse impact on CBI's Tennessee customers;

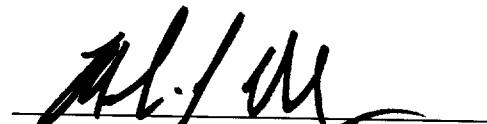
6. According to the Petition, the transfer of control is in the public interest because the new shareholders will enhance CBI's ability to compete in the market for telecommunications services in Tennessee and elsewhere. CBI should therefore benefit from increased access to resources, which will permit it to operate more efficiently and compete more effectively in the market. As a result, consumers in Tennessee should benefit from both the increase in products and service options as well as lower prices offered by the petitioner; and


7. That based upon the foregoing, the transfer of control is compatible with the public interest.

IT IS THEREFORE ORDERED THAT:

1. The Petition of Communications Billing, Inc., Thomas M. Coughlin, Sr. and Philip A. Bethune for approval of the indirect transfer of control described herein is granted; and

2. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order.


Melvin J. Malone, Chairman


H. Lynn Greer, Jr., Director


Sara Kyle, Director

ATTEST:


K. David Waddell, Executive Secretary